THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) No, Sir.

(b) Does not arise.

Issues relating to European Consortium proposal of a soft loan

335. SHRI VEDPRAKASH P. GOYAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have accorded 'in principle' sanction to a European consortium proposal of a soft loan to meet revamping cost of Barauni, Durgapur and Namrup Units of Hindustan Fertilizer Corporation Limited;

(b) if so, whether the consortium has started preliminary work as offered by them;

(c) whether the consortium submitted DPR and have tenders been issued;

(d) if Government have not guaranteed the loan, what are the plans of Government to revamp the three units of H.F.C.L.; and

(e) whether any Central assistance has been given to any of the three units, if so, the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) No, Sir.

(b) to (c) Do not arise.

(d) The revival package in respect of the Namrup Units of Hindustan Fertilizer Corporation Limited (HFC) has been approved by the Government on 1.10.97. The eventual decision in respect of the Barauni and Durgapur Units of HFC, which will be subject to the approval of the Board for Industrial and Financial Reconstruction, would, inter-alia, take into account the considerations of unit-wise viability and tie-up of the funding arrangements.

(e) Within the constraints of budgetary resources Government has been funding the cash losses of HFC to enable it to meet its operational requirements and providing the funds for essential replacement/renewals. During the current financial year, a budgetary support of Rs. 184.34 crore has been earmarked for the company. Out of this, an amount of Rs. 104 crore has already been released.

Policy relating supporting Pharmaceutical Units

336. SHRI RAMDAS AGARWAL: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have formulated any specific policy frame work to support over 8,000 pharmaceutical units in the country, as appeared in the 'Hindustan Times' dated 24th October, 1997;

(b) whether Government propose to increase the investment limit for small scale sector as well as support them in acquiring latest technologies so as to fulfil their need for quality and price competitiveness in the context of globalisation; and

(c) whether Government have also consulted National Pharmaceutical Pricing Authority (NPPA), Bureau of Industrial Costs and Prices (BICP), experts from Pharmaceutical Industry and SSI's Units before finalsation of the above mentioned policy if so, what are the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM): (a) to (c) There is no fresh proposal for any specific policy frame work to support pharmaceutical Units. The existing policy frame work is as given in the "Modifications in the Drug Policy, 1986" announced in September, 1994, which, *inter-alia* provides for almost complete delicensing of manufacturing activity under I(D&R) Act, and simplified pricing policy. Manufacturing units operating in Small Scale Sector are exempt from obtaining price approval for price-controlled formulations. However, they have to follow ceiling prices, if any, fixed by the Govt. The subject matter of fixing the ceiling for investment limit for Small Scale Units, including Pharmeeuti-